United Nations A/54/700/Add.1

General Assembly

Distr.: General
6 June 2000

Original: English

Fifty-fourth session
Agenda item 124
Joint Inspection Unit

Comments by the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "Private sector involvement and cooperation with the United Nations system"

Note by the Secretary-General

The Secretary-General has the honour to transmit for the consideration of the members of the General Assembly the comments of the Administrative Committee on Coordination on the report of the Joint Inspection Unit entitled "Private sector involvement and cooperation with the United Nations system" (JIU/REP/99/6).

I. Introduction

1. The report of the Joint Inspection Unit (JIU) on private sector involvement and cooperation with the United Nations system was originally proposed by the Food and Agriculture Organization of the United Nations (FAO). It was included in the work programme of JIU for 1999 because of the emerging new relationship of the United Nations system with the private sector.

II. General comments

2. The JIU report addresses an issue of growing relevance and importance to the United Nations system at large and presents a timely contribution. Indeed, at its first regular session in April 1999, ACC emphasized that the system needed to build multidimensional partnerships with the private sector to assist developing countries in capitalizing on the opportunities arising from globalization while minimizing the risks. The Secretary-General has moreover stated that the United Nations needs business as an advocate for international cooperation, a promoter of investment, trade and open markets, to promote development by investing and transferring technology to developing countries and as a partner of dialogue on economic social and related issues. To establish and maintain meaningful dialogue with private

00-46739 (E) 120600

business and to involve private firms in the work of the United Nations system are challenging tasks. To be successfully pursued, they require sustained attention as well as sensitivity to different cultures and possible conflicting interests. Therefore, in entering into partnership activities, due regard must be given to allocating sufficient skilled resources to this task. It is vital that the system pursue complementary approaches. A common understanding of the objectives of and opportunities opened by the initiative of the Secretary-General through the Global Compact with Business is absolutely essential.

3. Members of ACC emphasize that, in pursuing a compact or understanding with the private sector, the development dimension of the partnership should be stressed and other partners should be actively engaged, that is, different levels of government, municipal authorities and parliamentarians, as well as trade unions and non-governmental organizations (NGOs). The development dimension should draw from, *inter alia*, the programmes of action agreed by the international community at the series of global conferences held in the 1990s.

4. The JIU inspectors describe the increasing frequency and breadth of collaboration between the United Nations system and the private sector, defined as members of the business community (from small to medium-sized enterprises to multinational corporations, including the informal sector) and their representatives (who may act through not-for-profit associations such as chambers of commerce or philanthropic foundations). It states that the objective of partnerships between the United Nations and the private sector should not be limited to mobilization of resources, but to encouraging the private sector to integrate the values of the United Nations, channelling investments towards least developed countries and building a strong new constituency for the Organization as a whole.

5. There is at present considerable diversity within the United Nations system, both in respect of the regulations and practices that govern cooperation with private sector entities, and in the approaches that guide the way the funds, programmes and agencies interact with the private sector in order to maximize the benefits while protecting themselves from the inherent risks.

6. The present report makes a series of recommendations to ensure greater transparency and accountability and to avoid undue influence of special interest groups while promoting further links between the United Nations and private sector entities. Members of ACC welcome the report, and its helpful analysis of opportunities as well as risks. They also underline the usefulness of the reference material annexed to the report including the comparative table of guidelines issued by various United Nations system organizations, which provides a useful listing of good practices.

III. Specific comments on recommendations

Recommendation 1

The participating organizations should set realistic objectives and expectations for their partnership with the private sector. These objectives and expectations should be clearly enunciated and publicized, possibly through the adoption of a strategic document on this issue to be prepared by respective

secretariats and endorsed by governing bodies (see chapter II, paras. 22, 23 and 25).

7. Members of ACC endorse this recommendation, noting that collaboration with the private sector should be in line with the fundamental principles and strategic and operational objectives and the particular methods of work and constituents of their respective organizations. Especially important in this context is a balanced approach in collaboration with private sector entities from developed and developing countries. Objectives and expectations for partnerships should be wholly consistent with the United Nations system Charter goals.

Recommendation 2

The secretariats of the participating organizations should: (a) carry out outreach programmes targeting the private sector; (b) each designate a focal point, or at least identify easily accessible units, to serve the needs for information and assistance of the business community (see chapter II, paras. 26, 27 and 28).

8. Members of the ACC endorse the general thrust of the recommendation. They note that appropriate action and relevant initiatives, including outreach programmes, are being actively pursued throughout the system in response to concrete requirements and specific programme objectives, which vary from organization to organization. At the same time, they recognize that a number of sector-specific initiatives require cooperation among different organizations, and support, in such cases, joint outreach activities. Members of ACC agree with the recommendation to establish focal points for private sector-related issues as an additional way to enhance greater coherence and collaboration within the system and to facilitate exchange of experience. Common approaches continue to be fostered, including through system-wide training efforts supported by the United Nations Staff College in its collaborative programme with the Prince of Wales Business Leaders Forum.

Recommendation 3

Participating organizations should: (a) ensure the presence of United Nations representatives at relevant business events and organize joint encounters; (b) encourage as wide as possible a participation from the private sector in their relevant activities, with special attention to enterprises (and their associations) based in developing countries and/or countries in transition (see chapter II, para. 28).

9. This recommendation is in line with existing practices and is generally supported by members of ACC, on the understanding that participation of the business sector in activities of the United Nations system should take place in accordance with existing rules. Members of ACC welcome the emphasis on the participation of enterprises (and their associations) from developing countries or countries in transition.

Recommendation 4

The working group established by the Secretary-General's Senior Management Group should proceed with drafting guidelines on relations with the private sector and ensure that these guidelines are promptly disseminated throughout the Secretariat, as well as the funds and programmes. These guidelines should draw on the important work that has been undertaken by some funds and programmes (see chapter III, para. 85).

10. Members of ACC note that in line with this recommendation, a working group established by the Secretary-General's Senior Management Group is proceeding with drafting guidelines on relations with the private sector, which are expected to be of a generic nature and will aim to promote coherence in approaches in dealing with the private sector. They could serve as broad reference points since the diversity of each organization's mandate and activities may require the determination of more specific internal guidance. At the same time, members of ACC strongly support efforts by its subsidiary machinery, for example the Consultative Committee on Programme and Operational Questions (CCPOQ), in aiming at facilitating common approaches at the field level through the resident coordinator system. They agree with the need for the elaboration by CCPOQ of system-wide guidance on the collaboration at the field level of country teams with the business sector in the broad context of operational activities of the system.

Recommendation 5

United Nations agencies that have not yet done so should also adopt a set of guidelines, taking into consideration the work carried out by the working group mentioned in recommendation 4. These guidelines should include a statement of principles as well as a description of procedures to be followed for dealings with the private sector (see chapter III, paras. 63-72 and 79-82).

11. While endorsing the above recommendation, ACC members consider that internal guidelines by member organizations should address conditions for, *inter alia*, the use of an organizational name and logo, as well as acceptance of voluntary contributions and gifts from non-governmental sources, including business entities. ACC members agree that internal guidelines should draw on the common framework and common approaches as emerging from the efforts of the working group as well as of CCPOQ referred to in the comments on recommendation 4. The guidelines should ensure that the activities of the intended donor are compatible with mandates of United Nations organizations and Charter principles and that the donor should not be seen to have direct or evident indirect commercial interests in the activity to be financed.

Recommendation 6

The United Nations should consider ways of ensuring the implementation of Staff Rule 101.6, including the feasibility of extending rules for financial disclosures (see chapter III, paras. 73, 74 and 81). Other participating organizations should also examine whether their respective staff rules and regulations are sufficient to guarantee that staff members do not hold a

financial interest in commercial enterprises with which a partnership is envisaged.

12. Members of ACC endorse the recommendation and underline the need to ensure that system-wide approaches are supported through efforts by the relevant inter-agency mechanisms. In this context, they note that during 1999 and 2000, CCAQ collaborated with the International Civil Service Commission (ICSC) and the staff bodies on the update of the 1954 report of the International Civil Service Advisory Board entitled "Standards of Conduct in the International Civil Service". At its fifty-first session in Vienna in April 2000, ICSC decided to inform the General Assembly that it had adopted the text of the Standards, pending any comments from the organizations legal advisers, and further decided to submit them to the General Assembly and the organizations of the common system.

Recommendation 7

Concerned offices in all participating organizations should speed up internal processes and establish specific time-frames, within the framework of existing rules and regulations, to ensure that bureaucratic procedures and lengthy time of response do not discourage initiatives from the private sector (see chapter III, paras. 76-78 and 80).

13. The general thrust of this recommendation is endorsed by members of ACC. They wish to draw attention, in this regard, to the expected impact of various reform measures taken or ongoing organizational change initiatives particularly as they relate to increased delegation of authority, decentralization and local resource mobilization activities. They further recognize the need for building capacities to effectively handle partnership approaches, and note in this regard the important role of focal points and the potential support which could be provided through training on a system-wide basis by the United Nations Staff College.

Recommendation 8

Suitable mechanisms for the sharing of information and best practices with regard to relations with the private sector should be established, using the ACC structure as appropriate, to ensure consistency of policy and harmonization of relevant procedures throughout the United Nations system (see chapter III, paras. 65, 70 and 84-87).

14. Members of ACC fully support this recommendation and underline the importance of sharing relevant information on best practices in collaborating with the private sector. They recognize that the central web site (www.un.org/partners/business) established with the support and inputs of a large number of United Nations system organizations and entities, provides the required common platform for systematically sharing information and experiences. Members of ACC support efforts to fully exploit the potential of the common web site and agree to ensure the required additional inputs. They endorse, in particular, steps to enhance the web site by adding information reflecting learning experience, which should be carried out with the involvement of the concerned inter-agency mechanisms within the ACC machinery and the United Nations Staff College. They note that the common web site will serve in addition as a gateway providing linkages to the relevant sections of

the individual sites of member organizations. Members of ACC further support the need for greater consistency of policy and harmonization of relevant procedures throughout the system. In their view, this should be achieved through the full involvement of the relevant inter-agency mechanisms, with particular emphasis on the efforts to support greater coherence and common approaches at the field level.